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May 11, 2015

VIA E-MAIL

Nicole Cantello
Molly Smith
United States Environmental Protection Agency, Region V
77 W. Jackson Blvd.
Chicago, Illinois 60604

RE: Expera Specialty Solutions - Information Requested at the May 4, 2015 Meeting

Dear Ms. Cantello and Ms. Smith:

This letter is being submitted on behalf of our client, Expera Specialty Solutions ("Expera" or the "Company"), in follow-up to our meeting on May 4, 2015 to discuss alternatives to conducting the PM₁₀ monitoring requested in the United States Environmental Protection Agency's ("U.S. EPA" or the "Agency") letter from George Czerniak, dated March 13, 2015, requesting certain information pursuant to Section 114 of the Clean Air Act concerning Expera's facility ("Thilmany Mill") in Kaukauna, Wisconsin (the "Information Request").

As we discussed at the meeting, Expera does not believe that the PM₁₀ monitoring requested by U.S. EPA is warranted at the Thilmany Mill or that such monitoring is necessary to ensure compliance with the facility's Title V permit or the applicable requirements of the Wisconsin State Implementation Plan or the Clean Air Act. At our meeting, Expera presented preliminary modeling of the PM₁₀ emissions from fugitive and point sources at the facility, which demonstrated that emissions from the facility did not exceed the 24-hour National Ambient Air Quality Standard ("NAAQS") for PM₁₀. U.S. EPA questioned the utility of modeling as an effective tool in evaluating PM₁₀ emissions from fugitive sources. While Expera does not concede that modeling is not an appropriate approach to evaluate PM₁₀ emissions, Expera would like to work with U.S. EPA on other alternatives to the ambient air monitoring requested. It is our understanding that U.S. EPA is willing to discuss alternatives.

To assist the Agency in evaluating alternatives to the PM₁₀ monitoring requested in the Information Request, you asked that Expera provide you with the following information.

1. Wind Rose Information - Annual and Seasonal

Expera has enclosed wind rose information for the period 2006-2014 from both the Outagamie County Regional Airport in Appleton, Wisconsin (Station ID: 726450-14898) and the Green Bay/Austin Straubel FIE (Station ID: 726425-04825). This data was obtained from the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") website.

As we discussed at the meeting, the Wisconsin Department of Natural Resources ("WDNR") uses meteorological data from Green Bay for modeling purposes. It is our understanding that WDNR does not use the data from the Appleton airport because there is no minute data from the station and because there is more than 10% missing data.

For your review, we have enclosed seasonal and annual wind roses for the Appleton and Green Bay stations for the period 2006-2010 to match the meteorological data set issued by WDNR and monthly wind roses for the period 2006-2014.

2. Distances from the Facility to the Closest Residences

Most residences are northwest of the facility and are not in the direction of the prevailing winds. As shown in the enclosed map, the area to the east, northeast and southeast of the facility is largely rural. There are a handful of residences directly to the north of the coal pile. Of these residences, we estimate that the closest residence is approximately 560 feet from the coal pile and 450 feet from the property line.

3. Cost of Requested Monitoring, including Maintenance Costs

As we discussed at the meeting, Expera obtained two estimates for (1) the installation and operation of the requested PM₁₀ monitors and meteorological station and (2) for the collection and compilation of the requested data. Estimates were obtained from Air Control Techniques, PC and Environmental Management Resources, Inc. ("ERM") for this work. We have attached a document outlining the specific costs identified in both estimates for one year of data collection. These costs are based on renting the needed equipment for one year.

We note that the specific cost items identified in the two estimates differ slightly, and it is Expera's understanding that these estimates may not identify all the required costs. For example, the Air Control Techniques' estimate specifically excludes maintenance costs associated with the met station. In that instance, Expera understands those costs are considered in the estimated overall monitoring costs.

As demonstrated by these estimates, the cost of PM₁₀ monitoring is significant. For one monitoring location and one year of monitoring, estimated costs are within a range of \$125,000 - \$200,000. If an additional monitoring station is required, it is Expera's understanding that the

costs would increase by 50%, and if monitoring were required for more than one year, additional costs would be incurred.

4. Fugitive Dust Control Options for the Coal Storage Pile and Associated Costs

Finally, U.S. EPA requested that Expera provide it with information and costs related to fugitive dust control options for the winter coal storage pile at the facility. In response to this request, Expera evaluated various options designed to reduce fugitive dust from the coal unloading, storage and handling options at the Thilmany Mill. Some of these options are currently being undertaken, but were evaluated to determine if any additional benefits could be obtained. Expera has attached a document that details the options evaluated and the associated costs.

Conclusion

In conclusion, Expera would like to schedule a conference call to discuss this document submittal and alternatives to the PM₁₀ monitoring request with the Agency at your earliest convenience. As you know, Expera is scheduled to respond to the initial requests related to PM₁₀ monitoring on May 19 so the Company would like schedule a conference call this week if possible. We would suggest a call on Thursday, May 14 either from 8:30 - 9:30 a.m. or from 2:30-3:30 p.m., but will make ourselves available at another time if the Agency is not available at these suggested times.

We continue to look forward to working with the Agency on this matter.

Very truly yours,

QUARLES & BRADY LLP



Cynthia A. Faur

Attachments

cc: Motria Caudill
Steve Myers
Mark Nessmann
Lee R. Hammen
Heath Hoffmann